

IN THE CIRCUIT COURT OF JEFFERSON COUNTY, ALABAMA

STATE OF ALABAMA,
ex rel., D. DAVID PARSONS,
as Commissioner of Insurance,
and DENISE B. AZAR, as
Acting Chief of the Receivership
Division of the Alabama Department
of Insurance,

Plaintiff

V.

SOUTHERN HEALTH SYSTEMS,
INC., an Alabama health maintenance
organization,

Defendant

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FILED IN OPEN COURT

This 3rd day of Dec. 2001
Joseph Boothaker, Judge

CV-01-05259

ORDER TO NON-PARTICIPATING PROVIDERS

This matter came before the Court on the Petition for Issuance of Order to Non-Participating Providers filed on behalf of The Alabama Health Maintenance Organization Guaranty Association ("Guaranty Association"). While under Alabama law and the contracts between SHS and the health care providers ("Participating Providers"), the Participating Providers are prohibited from billing, charging or seeking compensation from any enrollees of SHS, there is no such protection for enrollees who received health care services which were approved by SHS from health care providers who were not under contract ("Non Participating Providers") at the time such services were rendered.

This Court has enjoined all persons from collecting or attempting to collect the payment of the costs of basic health care services from enrollees in violation of Participating Providers' contracts with SHS. (Consent Order of Rehabilitation, Permanent Injunction, Appointment of Receiver, and

other Relief, p. 4, ¶ 48; Order Terminating Rehabilitation Proceedings and Order of Liquidation, ¶ 21).

The Guaranty Association has represented to this Court that SHS enrollees are being subject to collection activities by certain Non-Participating Providers, even though the Non-Participating Providers have the remedy of filing a claim for payment with the SHS Receiver, who shall adjudicate same in conjunction with the Guaranty Association, which shall pay all valid Non-Participating Provider claims received pursuant to the Order of Liquidation in accordance with Alabama Department of Insurance Regulation No. 83 and *Ala. Code § 27-21A-18(b)*.

THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

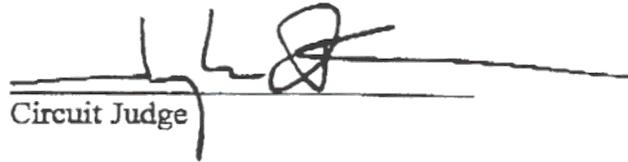
1 Non-Participating Providers are hereby notified that they are subject to the injunctive provisions of this Court's August 28, 2001 "Order Terminating Rehabilitation Proceedings and Order of Liquidation."

2. Non-Participating Providers are hereby notified that they should submit their claims for payment **only** to the SHS Receiver, who shall adjudicate same in conjunction with the Alabama Health Maintenance Organization Guaranty Association ("Guaranty Association"), which shall pay all valid Non-Participating Provider claims received pursuant to the Order of Liquidation in accordance with Alabama Department of Insurance Regulation No. 83 and *Ala. Code § 27-21A-18(b)*.

3. Any Non-Participating Provider who after receipt of this Order, seeks payment from enrollees for SHS approved services will be held in contempt and subject to appropriate sanctions as established by this Court, and shall further forfeit their right to priority of payment under *Ala. Code § 27-21A-18(b) (1975)*.

4. This Court shall retain exclusive jurisdiction over this matter for all purposes necessary to enforce this Order.

ENTERED this 3rd day of December, 2001



Circuit Judge

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